

## Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 NEA-10 ISO-00 AEC-11 AID-20 CEA-02

CIAE-00 CIEP-02 COME-00 DODE-00 FEA-02 FPC-01 H-03

INR-10 INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01

SAM-01 SCI-06 SP-03 SS-20 STR-08 TRSE-00 PA-04 PRS-01

USIA-15 DRC-01 /184 W

----- 086772

R 041725Z APR 74

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 682

INFO AMEMBASSY BEIRUT

AMEMBASSY ISLAMABAD

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY TEHRAN

AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

LIMITED OFFICIAL USE NEW DELHI 4557

BEIRUT PASS BAGHDAD

E.O. 11652: N/A

TAGS: ENRG, IN, IR, IZ, SA

SUBJECT: ENERGY: STILL ANOTHER CRUDE PRICE RISE

REF: A) NEW DELHI MEMCON DATED MARCH 25, 1974 (SUBJ: CALL BY  
CALTEX REPRESENTATIVES (NOTAL); B) NEW DELHI 3601 (NOTAL)

1. CALTEX NEW DELHI REPRESENTATIVE V.T. KRISHNAMURTHY  
INFORMED MINATT APRIL 3 THAT HIS FIRM HAS AGAIN RAISED ITS  
PRICE OF CRUDE OIL IMPORTED TO INDIA. EFFECTIVE IMMEDIATELY,  
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CALTEX CRUDE IMPORTED FROM SAUDI ARABIA (ARABIAN LIGHT) WILL

BE PRICED AT DOLS 9.50 PER BARREL (F.O.B. OILPORT) -- UP FROM THE DOLS 8.75/BBL QUOTED AS A "PROVISIONAL" PRICE ON MARCH 1 (REF A).

2. KRISHNAMURTHY SAID HE DELIVERED CALTEX LETTER PERSONALLY TO PETROLEUM MINISTRY SECRETARY P. K. DAVE, AND ASKED FOR COMMENTS. HE CLAIMED THAT DAVE ACCEPTED THE NEW PRICE LEVEL "PHILOSOPHICALLY AND WITHOUT ARGUMENT". IN AN UNUSUAL GESTURE, DAVE THEN REPORTEDLY GAVE KRISHNAMURTHY FULL LIST OF EXISTING PRICES PERTAINING TO ALL REFINERIES IN INDIA CONSUMING IMPORTED CRUDES. THIS IS INTERESTING DEPARTURE FROM THE NORM. THE GOI COMMONLY ATTEMPTS TO HOLD IN CONFIDENCE ALL DATA OF THIS NATURE UNTIL RELEASED OFFICIALLY IN PARLIAMENT OR THE PRESS. IN ANY EVENT, APRIL 3 PRICES GIVEN TO KRISHNAMURTHY (AND SUBSEQUENTLY CONFIRMED BY MINATT THROUGH OTHER OIL COMPANY SOURCES) ARE: ESSO (HINDUSTAN PETROLEUM CORPORATION LTD.), \$ DOLS 8.32/BBL (ARABIAN BLEND); BURMAH-SHELL, DOLS 9.12/BBL (IRANIAN LIGHT); CALTEX, DOLS 9.50/BBL (ARABIAN LIGHT); COCHIN, DOLS 11.00/BBL (IRAQI LIGHT); AND MADRAS, DOLS 11.25/BBL (IRANIAN LIGHT). (ALL PRICES LISTED ABOVE ARE F.O.B. OILPORT QUOTATIONS).

3. DAVE WAS "NONCOMMITTAL" WHEN QUERIED ON STATUS OF INDO/IRANIAN AND INDO/IRAQI DEFERRED PAYMENT DEALS, BUT REPORTEDLY NOTED THAT NONE OF THE CRUDE PURCHASED THUS FAR BY THE GOI IN 1974 WAS "INVOLVED".

4. EMBASSY CALCULATIONS INDICATE THAT, TO DATE DURING CY 1974, CRUDE OIL IMPORTS HAVE COST THE GOI ABOUT DOLS 218 MILLION FOR A JANUARY 1 - APRIL 3 CRUDE THROUGHOUT OF 22.6 MILLION BARRELS -- OR AN AVERAGE C.I.F. COST OF DOLS 9.66 PER BARREL DURING THIS PERIOD. C.I.F. COSTS OF CRUDE TO THE PRIVATE SECTOR REFINERIES AVERAGED DOLS 9.16/BBL, WHILE PUBLIC SECTOR REFINERIES PAID AN AVERAGE OF DOLS 10.93/BBL. THE TOTAL VOLUME OF IMPORTED CRUDE PROCESSED DURING THE FIRST QUARTER OF CY 1974 MATCHES PRECISELY THE LEVEL OF IMPORTS THE GOI RECENTLY ANNOUNCED IT WOULD MAINTAIN THROUGHOUT THE YEAR -- IMPORTS EQUAL ONLY TO THAT WHICH WERE RECORDED DURING 1972; 90.2 MILLION BARRELS (REF B).  
SCHNEIDER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM, IMPORTS, DATA, PRICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 04 APR 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974NEWDE04557  
**Document Source:** CORE  
**Document Unique ID:** 00  
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**Film Number:** D740076-0896  
**From:** NEW DELHI  
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**Image Path:**  
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**Legacy Key:** link1974/newtext/t19740467/aaaacjoh.tel  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ENERGY: STILL ANOTHER CRUDE PRICE RISE  
**TAGS:** ENRG, IN, IR, IZ, SA, CALTEX  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005